

**Amendments to the Claims:**

This Listing of Claims replaces all prior versions, and listings, of claims in this application.

**Listing of Claims**

Claims 1-25 (Cancelled).

26. (original) A vending machine incorporating a note processing, dispensing and change dispensing device comprising:

a note validator for receiving notes and sensing data relating to the authenticity, denomination, type and condition of notes received by said note validator, said note validator generating signals corresponding to the sensed data for each received note;

a validator processor for receiving and comparing said sensed data signals with stored data to validate said notes;

a note box configured to receive and hold notes received by said note validator;

a note hopper for receiving and storing up to a selected number of notes of a pre-selected denomination which are received by said note validator if said notes are of acceptable, non-worn condition; and

a transportation unit for directing said notes determined to be authentic to one of said note box and said note hopper and for dispensing notes from said note hopper in response to an instruction.

27. (original) A vending machine incorporating a note acceptor-dispenser validator including:

a note validator for receiving notes and sensing data identifying the type and condition of the received notes;

a note box to hold notes received by said note validator;

a note hopper to temporarily hold pre-selected characteristic notes received by said note validator, said notes being available to be subsequently dispensed by said note acceptor-dispenser validator; and

a transportation unit for transporting received notes from said note validator to one of said note box and said note hopper and for transporting notes from said note hopper out through said note validator in response to an instruction.

28. (currently amended) A vending machine having a note acceptor-dispenser comprising:

a note validator having an opening for receiving notes;

a note storage area to store notes received by said note validator when said notes are characterized by said note validator as meeting pre-selected characteristics; and

a transportation unit for transporting notes from said note validator to said note storage area and for dispensing notes from said note storage area through said opening in said note validator in response to an instruction.

29. (original) A vending machine for dispensing product, the vending machine having a note acceptor-dispenser validator comprising:

a note validator having an opening for receiving notes and a validator head for sensing data relating to the authenticity, denomination, and type of note received by said note validator, said note validator generating signals corresponding to the sensed data for each received note;

a validator processor for receiving and comparing said sensed data signals with stored data to validate said notes and generate a signal signifying receipt and the value of said note;

a note box configured to receive and hold notes received by said note validator;

a note hopper for receiving and storing pre-selected characteristic notes received by said note validator; and

a transportation unit for directing validated notes to one of said note box and said note hopper and for dispensing notes from said note hopper through said opening in said note validator in response to a dispense signal.

30. (original) The vending machine having the note acceptor-dispenser validator of claim 29, wherein said validator head determines the value of notes dispensed by said note acceptor-dispenser prior to their being dispensed.--